

**Statement of Natasha K. Metcalf, Commissioner  
Tennessee Department of Human Services  
Testimony Before the Subcommittee on Social Security and Family Policy  
of the Senate Finance Committee  
Hearing on Issues in TANF Reauthorization: Helping Hard to Employ Families**

**April 25, 2002**

Chairman Breaux and Members of the Subcommittee. I want to thank you for inviting me to testify today about Tennessee's efforts to assist hard to employ Temporary Assistance to Needy Families (TANF) participants.

Tennessee implemented Families First, our TANF program, pursuant to a waiver. Families First is the product of a compromise between Governor Sundquist and the Tennessee General Assembly after many hearings on what would work best in our state. Because our waiver gives us the flexibility to address several unique issues including the needs of hard to employ participants, we would like to retain it until it expires in 2007.

Tennessee has made great strides in enrolling participants in education, training and work preparation activities before sending them into the workforce. Caseloads have dropped from 91,499 to 63,832 and over 200,000 families have been served. However, we realized that some participants face other barriers that inhibit their ability to progress. No matter how much education, training and work preparation we provide, until they overcome these barriers they are unable to achieve their greatest success in moving toward self-sufficiency.

In response to these concerns, Tennessee allocated \$9.2 million in TANF funds to implement Family Services Counseling in February 2000. This statewide counseling initiative addresses domestic violence, substance abuse, mental health, learning disabilities and children's health and behavioral problems. This counseling model is significant because it is fully integrated with TANF, employment focused and short term. Counseling services are available to adults and children while they are on the Families First program and for up to one year after their case closes.

Extensive outreach is conducted to inform participants of the availability of these counseling services. Participants who are being sanctioned for failing

to comply with their individual responsibility plan are also given the option to seek counseling. Referrals can be made by the case manager, the participant or a service provider.

A standard assessment is completed to identify the barriers that need to be addressed. Based on the participant's counseling or treatment needs, the counselor can recommend revisions to their individual responsibility plan. Because confidentiality is important, the counselor can arrange to meet the participant outside the office. Our waiver allows us to stop the time clock for the month that a participant is assessed. The clock may be stopped for additional months based on the severity of the barrier.

Most of the 100 masters degreed counselors are co-located in local Department of Human Services offices across the state. Co-location builds relationships with case managers and helps them gain a better understanding of the barriers our participants face.

Almost 4500 participants were assessed during FFY 2001 with the following barriers:

- 35% - Mental Health
- 23% - Children's Health or Behavior
- 17% - Domestic Violence
- 16% - Learning Disabilities
- 9% - Substance Abuse

Many participants are assessed with multiple barriers.

Gaps in the availability of treatment services continue to present challenges especially in rural areas. For example, most alcohol and drug residential treatment programs are not designed to serve mothers with children. To bridge this gap we fund programs in Nashville, Knoxville, Chattanooga and Memphis that are designed to exclusively serve drug addicted mothers in a residential setting with their children.

A University of Tennessee (UT) study shows positive employment outcomes from this initiative. Fourteen percent (14%) of the participants were employed prior to counseling. After completing counseling, forty-nine percent (49%) were employed. In addition, those who were employed during counseling experienced an increase in wages.

Forty-five percent of our caseload does not have a high school diploma or GED. To address this issue, our waiver also allows us to exempt participants who are below the ninth (9<sup>th</sup>) grade reading level from time limits and additional work requirements as long as they are enrolled in twenty (20) hours of Adult Education classes and progressing. A UT study found that it took TANF students one hundred and five percent (105%) longer than non-TANF students to move from below the 6<sup>th</sup> grade level to getting a GED. With the use of cash bonuses, we experienced a 133% increase in those earning a GED and a 355% increase in those moving above the 9<sup>th</sup> grade reading level.

We appreciate the bipartisan recognition of the need for services to address barriers faced by TANF participants. The Administration's proposal allows states to count families engaged in substance abuse treatment or rehabilitation activities toward work participation requirements for three (3) consecutive months in a twenty-four (24) month period. The proposal also allows participants to engage in rehabilitation activities for 16 hours of the 40-hour work requirement. These proposed changes recognize the flexibility states need to succeed with the hard to employ participants in our caseloads.

In order to build on the successes of welfare reform, we must do more than exempt those who are hard to employ from time limits. We must address the barriers they face so they too can achieve self-sufficiency. Tennessee's waiver allows us the flexibility to achieve this goal.

Thank you again for inviting me to testify today and I will be happy to answer any questions.